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SUPPLEMENT TO  
REPORT NO.

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THIS IS UNEVALUATED INFORMATION

25X1 SMV Relations with USIA

1. There is some speculation among SMV employees as to reasons underlying the tension evident in current relations between SMV and USIA officials. They feel that SMV officials are in a relatively strong position because USIA's Central Commercial Bureau has assigned one of its most trusted employees to the SMV to expedite the immediate sale of the SMV Lobau warehouse stocks.\*

SNV Agreement with the Austrian National Railways

2. KUSIN, Director of the SMV Purchasing Office, continues to reorganize most of the established procedures of this SMV office. SMV employees find him reserved, cynical and hostile to the Austrian employees. He is particularly contemptuous of all Austrian enterprises, an attitude which was apparent in his recent dispute with the Austrian National Railways.
3. KUSIN proposed that the SMV transact its business with the railways on a credit basis, that it pay its railroad traffic charges by checks drawn from the Soviet Military Bank only after service had been rendered. Railroad officials, however, insisted that the SMV make a down payment of 100,000 schillings per month and agreed that they would accept payment by check from the Soviet Military Bank for all Soviet shipments in excess of this 100,000 schilling down payment. Railroad officials further requested KUSIN to submit a precise accounting of SMV debts to the railroads at the end of each month. After considerable controversy, KUSIN agreed to these demands. A few days ago, in the course of preparing this monthly accounting, the SMV Purchasing Office discovered that the only SMV enterprise which has an appreciable credit with the Austrian National Railways is Wifo-Lobau, which also has a sizeable credit with the Austrian Government. When KUSIN learned of the Wifo-Lobau credit, he proposed that the Austrian National Railways apply this credit against future debts of all SMV enterprises. This proposal was finally accepted by railroad officials.

This document is hereby regraded to CONFIDENTIAL in accordance with the letter of 16 October 1978 from the Director of Central Intelligence to the Archivist of the United States.

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## CENTRAL INTELLIGENCE AGENCY

- 2 -

Import Shipments and Other Items Delivered to SMV Installations:

4. During the past week the following items were delivered to various SMV installations:
- 4 carloads of iron pipe, weighing approximately 20 tons per carload, from the USSR to the Matzen oil fields.
  - 1 tank car of hydrochloric acid from Budapest to the SMV Central Warehouse, Neusiedl.
  - 1 carload of caustic soda from Bruggl, Tyrol, to the SMV Lobau Warehouse.
  - 150 tons of cement from K. J. Baldauf to the SMV Central Warehouse, Neusiedl.
  - 38 cubic meters of lumber from Holzbauwerk Franz Havlicek.
  - 2 carloads of sulfuric acid delivered to the Nova-Schwechat refinery.
  - 1 carload of sulfuric acid to the Kledering refinery.
  - 7 tank cars of Diesel fuel from the Voesendorf refinery to the SMV Central warehouse, Neusiedl.

SMV Purchases

5. During the week of 16 January 1950, the SMV Purchasing Office made cash payments for the following purchases:

<u>Firm</u>	<u>Item Purchased</u>	<u>Payment in Schillings</u>
St. Egydyer Eisen-und Stahlindustrie G.m.b.H.	Cable (Drahtseile)	189,678.50
Huber & Drott	Cable	8,344.40
Accumulatoren Fabrik G.m.b.H., Liesing	8 batteries	2,148.47
Holzbauwerk Franz Havlicek	Wood	21,680.20
Fritz Schreitt and other firms	Work clothing and shoes	71,981.60

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